

Kavanagh Enterprises Limited

Report and Financial Statements

31 March 2011

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KAVANAGH ENTERPRISES LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

KAVANAGH ENTERPRISES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS FOR THE PERIOD ENDED 31 MARCH 2011

DIRECTORS

Sir Peter Rigby
J P Rigby

REGISTERED OFFICE

James House
Warwick Road
Birmingham
B11 2LE

BANKERS

Barclays Bank Plc
4th Floor
120 Edmund Street
Birmingham
B3 2QZ

SOLICITORS

Wragge & Co LLP
55 Colmore Row
Birmingham
B3 2AS

AUDITOR

Deloitte LLP
Chartered Accountants & Statutory Auditors
Four Brindleyplace
Birmingham
B1 2HZ

KAVANAGH ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2011

The directors present their annual report and the audited financial statements for the period ended 31 March 2011

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company was to be an intermediate holding company. The entire issued share capital of the company was acquired by Specialist Computer Centres plc on 6 September 2010. The company is a wholly owned subsidiary of Specialist Computer Holdings plc. The company ceased trading during the period ended 31 March 2011.

On 23 September 2010 Specialist Direct Limited acquired the entire issued share capital of Specialist Computer Holdings plc.

On 24 September 2010, Specialist Direct Limited changed its name to Rigby Family Holdings Limited.

During the year the company changed its accounting reference date to 31 March from 30 April.

RESULTS AND DIVIDENDS

The audited financial statements for the period ended 31 March 2011 are set out on pages 5 to 10.

The directors paid an interim dividend of £989.10 per ordinary share (year ended 30 April 2010 - £Nil).

GOING CONCERN

The company ceased to trade during the period ended 31 March 2011. As a result, the company's financial statements for the period ended 31 March 2011 have been prepared on a basis other than that of a going concern.

DIRECTORS

The directors who served throughout the year and subsequently were as follows:

Sir Peter Rigby	(appointed 6 September 2010)
J P Rigby	(appointed 6 September 2010)
R Campbell	(resigned 6 September 2010)
A Head	(resigned 6 September 2010)
D Shackleton	(resigned 6 September 2010)

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

**DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 MARCH 2011**

AUDITOR

Each of the directors at the date of approval of this report confirm that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

Jeffreys Henry LLP resigned as auditors during the year and Deloitte LLP were appointed

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'P. Rigby', with a horizontal line extending from the bottom of the signature.

Sir Peter Rigby

Director

8 December 2011

KAVANAGH ENTERPRISES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAVANAGH ENTERPRISES LIMITED

We have audited the financial statements of Kavanagh Enterprises Limited for the period ended 31 March 2011 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in note 1 to the financial statements which explains that the financial statements have been prepared on a basis other than that of a going concern.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report.


Christopher Robertson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

13/12/2011

KAVANAGH ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2011

		11 months ended 31 March 2011 £	Year ended 30 April 2010 £
	Note		
Other operating income	2	1,034,822	-
Exceptional operating expenses	3	(161,000)	-
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	873,822	-
Tax on profit on ordinary activities	7	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	873,822	-

All results have arisen from operations which were discontinued during the period

There are no recognised gains or losses in either period other the profit for that period, accordingly, no statement of recognised gains and losses is presented

KAVANAGH ENTERPRISES LIMITED

BALANCE SHEET 31 MARCH 2011

	Note	31 March 2011	30 April 2010
FIXED ASSETS			
Investments	9	<u>64,000</u>	<u>225,000</u>
CURRENT ASSETS			
Cash at bank and in hand		<u>29</u>	<u>-</u>
CREDITORS Amounts falling due within one year	10	<u>(63,904)</u>	<u>(820)</u>
NET CURRENT LIABILITIES		<u>(63,875)</u>	<u>(820)</u>
NET ASSETS		<u>125</u>	<u>224,180</u>
CAPITAL AND RESERVES			
Called up share capital	11	111	81
Other reserves	12	14	14
Profit and loss account	12	-	224,085
SHAREHOLDERS' FUNDS	13	<u>125</u>	<u>224,180</u>

The financial statements of Kavanagh Enterprises Limited, registered number 5131092, were approved by the Board of Directors and authorised for issue on 8 December 2011 and signed on its behalf by



Sir Peter Rigby
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below, these have been applied consistently throughout the year and preceding year.

Basis of accounting

As explained in the Director's Report, the company ceased trading during the period ended March 2011. The financial statements have been prepared on a basis other than that of a going concern which includes where appropriate, writing down the company's net assets to net realisable value.

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by S400 of the Companies Act 2006 because it is wholly owned subsidiary of Specialist Computer Holdings plc, which prepared consolidated financial statements which are publicly available. The company is also on this basis, exempt from the requirement of Financial Reporting Standard Number 1 to present a cash flow statement.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. OTHER OPERATING INCOME

	11 months ended 31 March 2011 £	Year ended 30 April 2010 £
Dividends received from group companies	<u>1,034,822</u>	<u>-</u>

3. EXCEPTIONAL OPERATING EXPENSES

During the period the company provided an amount of £161,000 (2010: £Nil) against its investment in its subsidiary undertaking Kavanagh Systems Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

4. OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Fees payable to the company's auditor for the audit of the company's accounts of £1,700 (year ended 30 April 2010 - £1,000) were borne by another group undertaking

Amounts payable to the auditor in respect of non-audit services were £Nil (year ended 30 April 2010 - £Nil)

5. STAFF COSTS

There were no staff costs charged in either period. The average monthly number of employees (including directors) during the period was 2 (year ended 30 April 2010 - 3)

6. DIRECTORS' REMUNERATION

There were no directors' emoluments charged in either period

The emoluments of Sir Peter Rigby and J P Rigby are paid by other group companies as their services to Kavanagh Enterprises Limited are incidental to their services provided to other group companies. However, the total emoluments for these directors are taken into account in the disclosure of directors' emoluments in the financial statements of Rigby Family Holdings Limited, the ultimate parent undertaking

The emoluments of Messrs R Campbell, A Head and D Shackelton are paid by Kavanagh Systems Limited, a subsidiary undertaking, and disclosed in its financial statements. The services provided to Kavanagh Enterprises Limited by these directors are incidental to their services provided to Kavanagh Systems Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

There was no current or deferred tax charge during the year (2010 - £Nil)

The differences between the total current tax charge and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows

	11 months ended 31 March 2011 £	Year ended 30 April 2010 £
Profit on ordinary activities before tax	873,822	-
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2010 - 21%)	244,670	-
Effects of		
Expenses not deductible for tax purposes	45,080	-
Income not taxable for tax purposes	(289,750)	-
Current tax charge for the period	-	-

The company generated its profit solely in the UK, therefore the rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 28%

On 23 March 2011 the Government announced that the main rate of Corporation Tax would reduce to 26% with effect from 1 April 2011, with subsequent 1% reductions per annum to reach 23% with effect from 1 April 2014. These tax rate reductions had not been substantively enacted at the balance sheet date and therefore have not been reflected in the financial statements.

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. Accordingly, this reduction has been taken into account when stating the deferred tax assets and liabilities at 31 March 2011.

A deferred tax asset has not been recognised in respect of the impairment of the value of the company's fixed asset investment as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £41,860 (30 April 2010 - £Nil). The asset would be recovered if the company sold its fixed asset investment and was able to offset the resulting capital loss against a qualifying gain.

KAVANAGH ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 MARCH 2011

8. DIVIDENDS

	11 months ended 31 March 2011 £	Year ended 30 April 2010 £
Interim paid dividend of £989 10 (year ended 30 April 2010 £Nil) per ordinary share	<u>1,097,907</u>	<u>-</u>

9. FIXED ASSET INVESTMENTS

	31 March 2011 £	30 April 2010 £
Subsidiary undertakings	<u>64,000</u>	<u>64,000</u>
Subsidiary undertakings		£
Cost		
At 1 May 2010 and 31 March 2011		<u>225,000</u>
Provision for impairment		
At 1 May 2010		-
Charge for the period (see note 3)		<u>161,000</u>
At 31 March 2011		<u>161,000</u>
Net book value at 31 March 2011		<u>64,000</u>
Net book value at 30 April 2010		<u>225,000</u>

The company holds 100% of the ordinary share capital of Kavanagh Systems Limited, a company incorporated and trading in the United Kingdom. Kavanagh Systems Limited provides IT consultancy services.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2011 £	30 April 2010 £
Amounts owed to group undertakings	<u>63,904</u>	<u>820</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2011

11. CALLED-UP SHARE CAPITAL

	31 March 2011 £	30 April 2010 £
<i>Authorised, allotted, called up and fully-paid</i>		
1,110 (2010 – 810) ordinary shares of 10p each	111	81

During the period, the company issued 300 ordinary shares of 10p each at par

12. RESERVES

	Capital redemption reserve £	Profit and loss account £	Total £
At 1 May 2010	14	224,085	224,099
Profit on ordinary activities after taxation	-	873,822	873,822
Dividends (see note 8)	-	(1,097,907)	(1,097,907)
At 31 March 2011	14	-	14

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	11 months ended 31 March 2011 £	Year ended 30 April 2010 £
Profit for the financial year	873,822	-
Dividends (see note 8)	(1,097,907)	-
Shares issued	30	-
Net movement in shareholders funds	(224,055)	-
Opening shareholders' funds	224,180	224,180
Closing shareholders' funds	125	224,180

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2011

14. ULTIMATE PARENT UNDERTAKING

The company is a subsidiary undertaking of the Specialist Computer Centres plc, a company registered in England and Wales

The results of Specialist Computer Centres plc are consolidated into those of an intermediate holding company, Specialist Computer Holdings plc, registered in England and Wales, whose principal place of business is at James House, Warwick Road, Birmingham, B11 2LE. The largest group of which the company is a member, and for which consolidated financial statements are drawn up, is that headed by Rigby Family Holdings Limited. Consolidated financial statements are available at James House, Warwick Road, Birmingham, B11 2LE.

During the year, on 23 September 2010, Specialist Direct Limited acquired the entire issued share capital of Specialist Computer Holdings plc. On 24 September 2010, Specialist Direct Limited changed its name to Rigby Family Holdings Limited. The ultimate parent company therefore changed from Specialist Computer Holdings plc to Rigby Family Holdings with effect from 23 September 2010.

As a subsidiary undertaking of Specialist Computer Centres plc, the company has taken advantage of the exemption in Financial Reporting Standard Number 8 from disclosing transactions with other members of the group headed by Specialist Computer Holdings plc.

15. ULTIMATE CONTROLLING BODY

Sir Peter Rigby, a director of Specialist Computer Holdings plc and Rigby Family Holdings Limited controlled the company as a result of holding 79% of the issued ordinary share capital of Specialist Computer Holdings plc, the ultimate parent undertaking until 23 September 2010.

With effect from 23 September 2010, Sir Peter Rigby controls Rigby Family Holdings as a result of holding 79% of the issued ordinary share capital of that company.

The ultimate controlling body has not changed as a result of the transaction on 23 September 2010.